

① 4075 OSTASIATISCHER LLOYD  
(NOON EXTRA)

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**OSTASIATISCHER LLOYD**

(Noon Extra)

September 24, 1939.

**Japan Should Conclude Non-Agression Pact With Soviets**

*Stand Against Britain*

*Indian Leaders Advice*

By A. Sakai,

Osaka Mainichi

Kobe, Sept. 16.

Japan should have no occasion to be alarmed over Germany's having signed a non-aggression pact with Russia. As a matter of fact, she should be encouraged by it to enter a non-aggression pact with Germany and Russia.

Such is the attitude of the local Indian community, as voiced by its leader A. M. Sahay, the president of the Indian National Committee of Japan. The local Indian community numbers about 600 residents.

Mr. Sahay showed great concern over the European war, especially as Great Britain is involved in it. He warned that Japan should not be enticed into the conflict by Great Britain. Indian will not offer any help to the British, he said, continuing:

"The Indian National Congress and other semi-national organizations of India have resolved not to offer any help to Britain in the present conflict and to resist by various means each and every effort of Britain to utilize India's men and money for imperialist purposes.

"Of course, Britain is once again at her old game and is trying to make the Indians believe that she is fighting Germany for the sake of a weak nation and is out to destroy Nazism, thus suggesting that she is fighting for principles. I believe and hope our leaders at home will not be misled again."

Concerning Britain's attitude toward Japan, he continued:

**British Attitude Changes**

"It has also undergone some changes toward Japan recently. Great anti-British demonstrations throughout Japan and in various parts of China and Manchoukuo greatly perplexed the Britishers. These were acting as a stimulus and en-

couragement to various other oppressed peoples of the East.

"The Tokyo parley had almost failed and developments in Europe were none the happier for the British. They were almost at their wit's end.

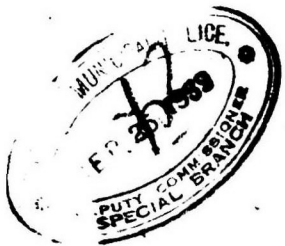
"At such a psychological moment, suddenly came the Soviet-German non-aggression pact. It shocked Japan but to Britain, in a way, it was a boon in disguise, considering her relation with Japan.

"Although British diplomats might not have liked the understanding between Germany and the Soviets, they could see a great chance of alienating Japan from Germany with the help of the pro-British elements among the prominent Japanese politicians.

"It is not difficult for them to realize that once the Japan-German-Italian axis is weakened, Japan would be in a better mood to come into line with Britain, because otherwise she would have no other powerful nation with which to cooperate.

**Britain Needs Japan**

"It is not difficult for them is at present trying to take full advantage of the situation created in Japan by the conclusion of the Russo-German pact. She is badly in need of Japan's cooperation.





"The history of 1914 is being repeated and, it then Britain needed some one to watch her interests in the East, must she not need some one today to a greater degree? I can only hope that Japan will refuse to play for Britain the role she played during the last European war."

Turning then to a discussion of the German-Russian non-aggression pact, he said:

"I firmly believe there is nothing wrong with it. It does not at all affect Germany's attitude toward communism."

"For the sake of convenience and usefulness on such occasions, we must learn to take advantage of the theoretical difference between communism and a Communist government. We may hate communism and we may have nothing to do with it. But for many reasons, we have to maintain contact with the government of the same party."

"Why, we still see the Soviet embassy in Tokyo and the Japanese embassy in Moscow. I really can't understand how Japan could dislike the non-aggression pact between the Reich and the Soviet. In fact, I spoke to a friend of mine who told me that Japan should have entered into a similar pact before any other country did so."

#### Not Too Late Yet

"I believe even now it is not too late. I firmly believe that a Japan-German-Soviet pact of non-aggression would make Japan's position much stronger and more favorable in the East."

"The difficulties that Japan is at present facing in China would then be much easier to overcome and Japan will be in a better position to deal with the British menace successfully."

"I am not one of those who by effecting an alliance with believe that Japan will benefit Britain. Of course, we can find today many Britons who would express their disapproval of the decision taken by their government to terminate the last Anglo-Japanese alliance and would advocate its renewal."

"The British diplomats would agree to the proposal rather promptly under the present circumstances."

"But certainly their attitude toward Japan will change as soon as Britain is able to overcome the present odds. Then certainly and naturally enough Britain would not be in any mood to tolerate Japan's inroads into British interests in China.

"As it is at present, if some sort of understanding could be arrived at among Japan, Germany, and Russia, Japan would be in the most favorable position to dictate her terms to Britain in China and Britain could be forced to give up her extraordinary privileges there.

"To avoid any chance of my being misunderstood. I must make it perfectly clear that by an alliance with the Soviets, I mean a purely political alliance.

"In this respect also, I believe, the time has come when we must give up the present policy of defense through aloofness.

"A lot of things have been happening in Russia since 1918 that have changed the outlook of the people and, taking advantage of this situation, we must try to push our own culture and social order by establishing closer contact with the Russian people, while maintaining our anti-Red stand.

**"However, that is besides the point. What I wish for is the consolidation of a strong anti-British front in order to make the world safe for the peace, prosperity, and happiness of humanity as a whole."**

Translation of excerpt from the editorial of the local  
German newspaper "OSTASIATISCHER LLOYD", dated 20.6.38. 4075  
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Only a short while ago the China market was one of the chief aims of Japan, without, however, the creation of their Federal Reserve Bank or at least the partial destruction of the Chinese national currency. This special aim has now been relegated to the dim and distant future.

In its stead, there has emerged another aim, namely the development of the North and Central China into a great producing center which is to supply Japan with raw materials for her export industry, at the same time furnish her requirements for cotton, ores, leather, eggs, etc., etc., The water power, coal deposits and human working labour are also to be harnessed in China.

However China today is no longer a market paying good currency, further it requires colossal capital for investments to realize the schemes of development which will take many years to bring to the production stage and obtain the raw materials which, prior to the present war, were to be had through normal trading. The consequences of the war are not difficult to forecast. North and Central China as an export market are lost not only to the outer world but to Japan herself for the simple reason that a country which is unable to pay in currency acceptable abroad is a bad customer.

Japan's economic scheme for China, which she intends to graft, instead of her conquest of the China market, will require scores of years to mature and, in the long run, will demand greater sacrifices than they will be capable of bearing fruit.

FILE

Translation of excerpts from the local German newspaper  
"Ostasiatischer Lloyd" dated June 10, 1938.

SHANGHAI MUNICIPAL POLICE  
S. D. REG.  
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Two independent views now exist amongst the Chinese national leaders in Hankow with respect to the situation as it now stands.

Certain leaders maintain that the fighting should continue and culminate in a decisive battle near Hankow.

Others favour the declaration of an armistice prior to the next Japanese offensive because they foresee the result of the defense of Hankow will be similar to that of Kaifeng and Haichow.

An acknowledged victory by the Japanese on the Lunghai Railway will lead to the following consequences, namely : weakening of military resistance on the part of the Chinese; weakening defeatism and the creation of a movement for peace.

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B.M.

FILE



P. A. to B. C. (Sp. Br.)

Trans. also of excerpts from the local German news, "Kronen Zeitung", date May 18, 1938. **REGISTRY** **D-487** **24** **5** **38**

AMBASSADOR TRAUTMANN'S VISIT TO HONGKONG

The German Ambassador, Dr. Trautmann, who has been resident in Hongkong since May 11th, has terminated his visit today.

On May 12, he had a conversation with General Ott, the German Ambassador to Tokyo who is in Hongkong en route to Germany to which place he departed by plane on Friday. On Friday Dr. Hauptmann received the German colony in Hongkong in the German Club and Herr Lumsden opened the reception with a speech.

The Ambassador replied in which he expressed the hope that the German business groups would weather the present crisis. Ambassador Trautmann paid a visit on Tuesday and Wednesday to the German Consul General at Canton, Herr. Altenburg. At a reception given by the German colony in the Canton Garden Club, the Governor of Canton, Mr. Wu Teh Chen was present. The Ambassador was accompanied by Herr von Sauchen, Consul at Hankow, who will return to his post on May 19, by plane.



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Translation of excerpts from the local German newspaper  
"OSTASIATISCHER LLOYD", dated April 30, 1938.

THE FIRST FILM OF AUSTRIA'S UNION.  
(Shown in a news reel at the Grand Theatre)

It had to come. The union of Austria with the German Reich could not be totally ignored even in the weekly newsreels which devote 80% of their space to demonstrating American beach beauties, American bombing planes and baseball playing. After the great democracies of the west had cooled down from their excitement over the violation of Austria, they permitted a short documentary newsreel showing the enthusiasm of the population on the occasion of the entry of the German troops into Austria. The exhibition of this newsreel seems to say: "Falsehoods have been represented to you. You see, Austria received with open arms the German troops, not as intruders but as liberators."

However such an impression must not be permitted and, with the requisite audacity, the documentary newsreel is employed for the purpose of the democracies so the commentator is set to work, as can be seen from the announcement :- "Annexation of Austria by Germany," then it ends by asking the question "What is coming next?" Whereupon the answer is shown by the appearance in the sky of threatening silhouettes of German bombing planes.

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SHANGHAI MUNICIPAL POLICE.

S. 3, Special Branch. ~~XXXXXX~~

REPORT

Date March 28, 1938.

Subject Departure of Herr P. Huldermann - Editor-in-Chief of the local German newspaper entitled "OSTASIATISCHER LLOYD".

Made by G. H. Cook. Forwarded by R. W. MacArthur D.S.D.

Herr P. Huldermann, who until quite recently held the position of Editor-in-Chief of the local German daily newspaper "OSTASIATISCHER LLOYD", left in the s.s. "Schnarnhorst" on March 26, 1938 for Germany.

It appears he was recalled sometime ago in connection with certain allegations involving him in having squandered large sums of money which belongs to the Deutsche Zeitungs-Verlag in Berlin, but as he was in Hankow and Sian at the time reporting interesting data on the Chinese situation his departure was delayed.

He returned to Shanghai from Hankow via Hongkong and remained here only a few days prior to departure to put his personal affairs in order.

The present Editor-in-Chief is Dr. H. L. Ley.



*John P. Cook*  
Clerical Assistant.

D. C. (Special Branch).

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Translation of excerpts from the local German newspaper  
entitled "OSTASIATISCHER LLOYD", dated 24.3.38. 407

Hankow - middle of March, 1938.

(Paul Haldermann)

Reports from all quarters agree that, in the territory claimed by the Japanese to be occupied their troops, only nominal control of the important railway centers exists and no domination of the intervening territory beyond said railway centres is evident.

A foreign gentleman, who recently returned to Shanghai from Nanking by motor car, reports that, after leaving Nanking, he was challenged by Chinese sentries at a distance of some 20 miles from the town and he remained in the Chinese occupied zone until he almost reached Soochow.

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Del  
In the territory between Shanghai and Nanking the Japanese have garrisons at Hangchow and Wuhu only. Reports are received daily of such minor incidents as military motor truck convey burned and destroyed; railway communication interrupted; a Japanese military staff party ambushed; cable cut; etc. etc.

SHANGHAI MUNICIPAL  
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[20 MAR 1938]  
SPECIAL BRANCH  
The Chinese are prepared for any advance on Hankow that the Japanese may launch - The town and approaches are strongly fortified.

It is no longer a question if Hankow will be attacked by the Japanese but when will it be attacked by the Japanese?

Fifty new Chinese divisions have been trained now and many more are in the process of training. The estimated strength of each division is 10,000 men. In many cases these troops have received their baptismal fire.

Totally new divisions will swell the ranks, as, for instance, those from Yunnan where conscription is in full force. In addition there are many volunteers and both the morale and physique of the troops are high.

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For instance, the Szechuen troops which formerly did not enjoy the best reputation have now become very efficient.

The Chinese army has gained full confidence in itself.

The recent Chinese aerial successes at Hankow when twelve Japanese planes were shot down over Hankow have produced a strong psychological effect in the town. The real feat of these aerial attacks can be seen in any cinema.

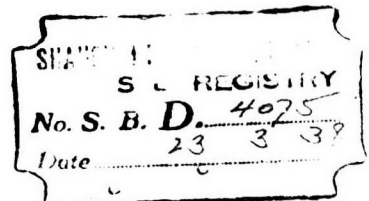
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At a meeting held yesterday of the members of the German community, Herr A. Glathe was unanimously re-elected as president of the community.

There were many Austrian members present who are now recognized as regular members.

In the Reich-Austrian plebiscite, to be held on April 10, the Germans of Shanghai will also participate

It is not considered advisable in the circumstances existing here at the present moment to charter a ship for the purpose of registering the votes so the plebiscite will be held in the German community hall and voting forms are obtainable in the German Consulate-General.



Translation of excerpt from "OSTASIATISCHER LLOYD",  
Sunday, March 20, 1938.  
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The Saturday's issue of the Chinese daily newspaper "Ta Mei Wan Pao" contains a report that fifty German aviators arrived in Shanghai and are to take part in the great battle at Hsuehchow for the Japanese. This report of the Chinese newspaper is without any foundation.

Unfortunately, this is not the first time that the American-registered evening paper publishes reports having anti-German tendency. The suspicion that this report has been manufactured in the editorial department of the "Ta Mei Wan Pao" is difficult to avoid. It would be regrettable if such malicious reports were to become the fashion in Shanghai.

As it is a fact that the "Ta Mei Wan Pao" is read by a large number of Chinese and is responsible therefore for its reporting of news, insistence must be made that this false report be retracted.

Ta Mei Wan Pao Morning Edition (Mar.19):-

50 GERMAN AVIATORS ARRIVE TO HELP JAPANESE

According to information from interested quarters, 50 German aviators came to Shanghai from Europe in January and are staying in a certain big building in Hongkew as guests of a certain local German firm. These aviators will shortly proceed to the North to assist the Japanese air force in the great battle of Hsuehchow. These aviators brought with them 45 three-seater German bombers ordered by Japan.

Ta Mei Wan Pao Morning Edition (Mar.20):-

Arrival of German Aviators Denied by German Authorities

The local German organ has described as absolutely groundless the report that 50 German aviators have arrived in Shanghai and will proceed to the North to participate in the battle of Hsuehchow.---Trans-Ocean.

Translation of ~~extracts~~ from the local German newspaper  
'OSTASIATISCHER LLOYD', dated March 7. 1938. 407

This paper is informed that the leader of the Nazi Youth Movement, Herr K. Buellgrop has been nominated by the local Nazi Headquarters to the important position of "Unterbaunfuhrer" Assistant District Leader-

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On Sunday March 6, at 2.30 p.m., Herr Ullrich Sandau, who occupied the post as sub-editor of our publication 'Ostasiatischer Lloyd' died suddenly when leaving the editorial office in spite of his excellent health. It is alleged that he succumbed to heart failure.

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NOTICE.

The local French Consulate-General hereby informs the local German citizens that the French Police will search passengers and motor cars during the night at different places within the concession.

These measures are necessary in the interests of public safety, and are being carried out with due consideration.

The public are requested to obey the signal to stop and submit to the search that will be made.



*Handwritten signature/initials*  
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RAID CYBER

HITLER'S RECOGNITION OF MANCHUKUO

We are desirous to point out the necessity of understanding the fundamental political line of German policy as indicated by Herr Hitler and this line must be thoroughly understood. The comment made by the "Ta Kung Pao", as reported from Hankow, misses the mark very widely.

Herr Hitler's statement regarding the friendly relations between Germany and China should not be forgotten, nor the statement that Germany, without calculating the ultimate solution of the events in the Far East, looks to Japan as the element of security in her attitude of defense against Communism.

The "Ta Kung Pao" is right when it talks of the ever friendly attitude of the German people towards the Chinese, but it is inadmissible to talk of a difference existing between the German people and the Party's leader.

We, Germans, all stand in perfect discipline behind the State leadership which possesses all the strings in its hand and whose decisions are formed in accordance with the national entirety in a similar manner as is done by all other states.



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# HANKOW HURT BY BERLIN MOVE ON MANCHUKUO

## Envoy Explains in Hankow

The circumstances leading to Germany's decision to recognize Manchoukuo are believed to have been explained to Gen. Chiang Kai-shek by Dr. Oscar Trautmann, the German Ambassador, in an interview here this afternoon.

Meanwhile, the Chinese Foreign Office has decided to postpone the despatch of its intended protest against the German decision pending a careful study of the original text of Herr Hitler's speech before the Reichstag on Sunday. Versions of the Fuehrer's address circulated here showed considerable differences.—Reuter.

## Shanghai Protest

Another protest against German recognition of Manchoukuo was issued yesterday, in the form of a manifesto, by the United Association of Chinese Civic and Cultural Organizations of Shanghai. This manifesto spoke of the association's deep resentment and indignation on hearing the news, and called the move a violation of the solemn pledge given by the German nation five years ago.

Refusing to believe that the announcement represents the true attitude and spirit of the best German people, the manifesto stated that the Nazi Party had betrayed China, and concluded by reaffirming the stand that China will never consent to the forcible detachment of Manchuria from the administrative and territorial integrity of China.

## No Action Against China

The Shanghai manager of the German News Office (DWB) has issued the following interpretation of Herr Hitler's speech regarding China and Manchoukuo:—

With regard to the declaration of the German Chancellor, Herr Adolf Hitler, made on February 20 before the Reichstag, German official circles express the opinion that this statement clearly reveals that the recognition of Manchoukuo by Germany can in no way be constructed as an act directed against China; it has nothing to do with the present Sino-Japanese conflict, but must be interpreted as being part and parcel of an attitude which takes into consideration Germany's policy as a whole vis-a-vis the League of Nations.

Germany wants to dissociate herself from the policy of the League of Nations and wants to base her policy on facts and realities. She believes that this is a better policy than the method of the League of Nations to adopt one-sided, purely platonic resolutions which can only lead to false hopes.

The present Sino-Japanese conflict is looked at in the Fuehrer's speech from the point of the German attitude toward the world danger of Bolshevism and in this connection it mentions the German-Japanese Anti-Comintern Pact. But at the same time the Fuehrer makes it quite clear that there is no sympathy nor any desire on the part of Germany to take sides in the conflict. Germany is determined now as before to remain neutral and to maintain her traditional friendship towards China and her people.

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Translation from the local German newspaper 'Ostasiatischer Lloyd' dated February 15, 1938. <sup>4075</sup>  
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Herr Paul von Huldermann, Chief editor of the 'Ostasiatischer Lloyd' newspaper, acting as special correspondent for the "Berlin Allgemeine Zeitung" has been in Sian for the past two weeks. Sian is the Headquarters of the Chinese eighth Route Army, known as the Communist Army. He is accompanied by Herr Schenke, who represents the Nazi Central Organ "The Vorkischer Beobachter" of Berlin.

The trip to Sian made by these two Germans by the Eurasia plane J U - 52, was arranged by special invitation and at the expenses of the Hankow Government for the purpose of reporting to the German newspapers that no communist influences exist in China.

The following excerpts from Herr, von Huldermann's article describe life in Sian:-

The inhabitants of Sian fear the future. The weight of the war is being felt here also, 1,000 miles behind the fighting lines. Both the military and the police are governing this region. Japanese espionage is well organised and far reaching. For instance in Nanchang, it was discovered that in the hamlets lamps had been placed in such a manner as to serve the Japanese aviators as identification marks during night attacks. To-day a man was shot for waving a red flag-bed cover.

There are cave barracks for the soldiers near Sian as no available place for the troops in transit from Szechuen and Kansu in the other regular barracks is to be had. As for Soviet-Russian strategy, it is conspicuous by its absence at present. Very few deliveries of arms are arriving in trucks and any arms might be brought via the Gobi desert to China cannot be delivered in great quantities.

The road to Urumchi is being built and the Lanchow-Sian road is being improved. The railway line Kweilin-Henryang-Hankow is a very important one for the delivery of arms via Indo-China. Both sides of the road between Lanchow and Sian are cluttered with disabled motor trucks, because the southern drivers are unable

to drive such heavy machines. As for aeroplanes, a flying field has been completed some 28 miles out from the city. There are supposed to be 50 Soviet planes there, of which, however, not a single one was visible over the city during ~~the-day~~ my stay.

The results of my visit are as follows:- Arms from Soviet Russia and Czecho-Slovakia are being delivered as was known already but there are no communist activities.

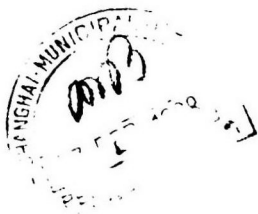
No Soviet star is visible either in Shensi or Kansu and nobody greets one 'a la Moscow' furthermore there are no Soviet flags. Both provinces are firm in the hands of the Chinese Central Government.



Translation of extracts from the local German newspaper  
"OSTASIATISCHER LLOYD", dated Feb. 13, 1938. 4075  
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The Reich Government has issued a new law according to which all German citizens travelling or residing abroad, whose sojourn extends more than three months, must register with the nearest German Consulate, failing which they will lose their citizenship.

With regard to the article written by Herr von Paul Huldermann, Chief editor of the "Ostasiatischer Lloyd", under the heading "The Hankow Barometer", dealing with the French Concession in that territory, which appeared in the February 8th issue, this newspaper now states that the remark to the effect that French soldiers were stationed on the tower of the hotel manning heavy machine guns to shoot down any Japanese aeroplane that flies over the zone, is liable to give rise to a misunderstanding and is contrary to facts.



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Translation from the local German newspaper "OSTASIATISCHER LLOYD", dated February 10, 1938. 11075

IN SO CALLED COMMUNIST CHINA.

After describing his tedious flight in the Ju-52 aeroplane of the Sino-American Aviation Company from Hankow to Sian, Herr Paul Huldermann, Editor-in-Chief of the "Ostasiatischer Lloyd", says :-

Hundreds of Chinese coolies are engaged in the work of levelling additional ground of the aerodrome, which proved insufficient to accommodate the ever increasing number of planes which are being expeditiously delivered to the Chinese airforce.

A lonely bombing plane of Italian manufacture is seen parked on the aerodrome. Both the halls and also the administration buildings have suffered damage from bombardment. The Japanese bombers have already made five visits to this aerodrome and, as some one remarked, are expected back soon.

The Police now make their appearance. We are searched for arms and torch lights having more than two batteries.

Cameras and maps are held under suspicion. Otherwise no objections are offered to the arrival of journalists.

The Police are courteous and their general appearance etc. give the impression that they have progressed considerably.

The city gates are guarded by the military. The sentries are armed with rifles having fixed bayonets and swords, which latter really formed the accoutrement of the 29th army, but have now been introduced into the other armies.



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Handwritten signatures and initials at the bottom of the page, including "S. 1", "S. 2", "S. 3", "S. 4", "S. 5", "S. 6", "S. 7", "S. 8", "S. 9", "S. 10", "S. 11", "S. 12", "S. 13", "S. 14", "S. 15", "S. 16", "S. 17", "S. 18", "S. 19", "S. 20", "S. 21", "S. 22", "S. 23", "S. 24", "S. 25", "S. 26", "S. 27", "S. 28", "S. 29", "S. 30", "S. 31", "S. 32", "S. 33", "S. 34", "S. 35", "S. 36", "S. 37", "S. 38", "S. 39", "S. 40", "S. 41", "S. 42", "S. 43", "S. 44", "S. 45", "S. 46", "S. 47", "S. 48", "S. 49", "S. 50", "S. 51", "S. 52", "S. 53", "S. 54", "S. 55", "S. 56", "S. 57", "S. 58", "S. 59", "S. 60", "S. 61", "S. 62", "S. 63", "S. 64", "S. 65", "S. 66", "S. 67", "S. 68", "S. 69", "S. 70", "S. 71", "S. 72", "S. 73", "S. 74", "S. 75", "S. 76", "S. 77", "S. 78", "S. 79", "S. 80", "S. 81", "S. 82", "S. 83", "S. 84", "S. 85", "S. 86", "S. 87", "S. 88", "S. 89", "S. 90", "S. 91", "S. 92", "S. 93", "S. 94", "S. 95", "S. 96", "S. 97", "S. 98", "S. 99", "S. 100".

Traffic is animated--there are open motor busses and open cars in spite of the extreme cold.

The Chinese stare at ~~US~~ foreigners, because since the commencement of the war all foreign merchants were driven away, and Sian is no treaty port.

There are trenches and dug-out shelters in the city. The bronze bells of the temples are used to give the alarms in the case of enemy air raids.

Five Japanese pilots are imprisoned in a small barracks and these aviators came all the way from the coast in one bomber.

There are many soldiers dressed in blue uniforms and wearing fur caps. There are few wounded soldiers, but it is said that Sian also had its share of looting by the soldiers.

Every second corner of the streets boasts of newspaper posters in conspicuous places and the newspapers are eagerly bought up.

War was declared <sup>against Japan</sup> by the Chinese Communist regime in 1932.

Translation from the local German newspaper "OSTASIATISCHER  
LLOYD", dated Feb. 8, 1938.

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THE HANKOW BAROMETER

(by von Paul Huldermann : Hankow, end of January 1938)

The last of the foreign concessions here belongs to the French. It is situated in the middle of the new Chinese capital and does not extend over a mile.

The boundaries, which are scarcely discernible, are marked by the presence of tricoloured flags crossed in pairs which are placed there owing to the danger from aerial attacks.

Immediately an air raid is heard the Chinese population streams into the French Concession where it seeks cover under archway and other places.

The French have a consulate, a police force, a fire brigade, in fact everything necessary for the community. There is also a hotel. This hotel is of colossal proportion and has a tower from which the French soldiers with heavy machine guns shoot down any Japanese aeroplane that flies over the zone.

In peace times this hotel had seldom more than two or three guests in its spacious premises of fifty rooms. Today there are seventy guests.

A Yugo Slav from the League of Nations is here and the funds at his disposal are considerable. He is to be seen examining either a cheque or a bill every five hours. Sometimes he ventures from the hotel paying visits to Russians and at other times he is to be seen conversing with Chinese women who speak excellent German from whom he receives his "political instruction". Two weeks ago he left here in the direction of Hongkong and returned yesterday accompanied by a dozen new Geneva representatives. They all seat themselves at a round table in the dining room and then a real Geneva atmosphere exists.

Meanwhile, one of the Geneva representative departs. He is a persistent observer of politics <sup>and is</sup> of Scotch nationality. He is supposed to have gone to Hongkong where a conference of

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see memo to the 2/11/38 2/11/38

STAMP: SPECIAL BRANCH  
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Hankow government representatives - financial and purchasing - together with the reigning Soong family is to be held - "what for"?

The Generalissimo's wife is also here and does not fail to let the press know that her sojourn to Hongkong had no political motive.

At the round table of the political League of Nations in the Hotel Miss "So and So" is to be seen. She is the Secretary to the American Embassy. She wears straw sandals the same as worn by the ricksha coolies. Usually, about half an hour before dinner terminates, the Minister of War, Mr. Ho Yin Ching, appears in the dining room but he can not be interviewed. He has forbidden his military subordinates to say anything to the representatives of the press. This is the reason why the world knows so little about the Chinese side of the military situation and likewise how the few Chinese successes are kept secret from the world.

The War Minister is accompanied by his two children and wife in native dress at the dining table. The Vice Minister of Foreign Affairs is also here without his family and has lots of callers who come and sit with him at the table. Wong Ching Wei is one of the visitors. Chu Chia Hua, the ex-Governor of Chekiang, has just arrived here. Many say he will be appointed Ambassador to Berlin which post will soon become vacant.

A British officer - tank expert - of heavy build who arrived here some time ago, has now disappeared. It is said he has gone back to the troops that are undergoing training. The other Englishman who accompanies him is the aviation advisor to Chang Hsueh Liang. According to rumours, this latter gentleman is no longer alive having been murdered by the wife of a Nanking staff officer whom he had slain in the Siao revolt.

The British officer has also departed.

Life in the capital is thus reflected in this small dining room.

Translation of extract from the local German newspaper

"OSTASIATISCHER LLOYD", dated Jan. 29, 1938

THE NEW BEGINNING.

S. B. REGISTRY

No. S. B. D. 4075

The efforts to bring about a Sino-Japanese peace have ended in failure. Such is the regrettable outcome of exertions that lasted many weeks, during which the Germans acted simply as invited go-betweens and not on their own initiative, which task they fulfilled with sincerity. It must be elucidated that the Japanese, on the one hand, felt that the Chinese were definitely opposed to any demand that affected Chinese suzerainty and would not tolerate any mention of this in a protocol. The statement made by the Japanese was perfectly clear asserting their stand not to recognize the regime of General Chiang Kai Shek in future. On the other hand, the announcements made by the Chinese were of a flowery complexion and they were pleased to repeat statements without adding any new amendments confining themselves to such phrases as - 'all initiative rests with the Japanese; we never did anything; we did not start this war and we can not stop it'.

The question arises, where does the delicate political touch rest? The Japanese have declared they will not recognize the Chiang Kai Shek government, but it has not yet disappeared from the scene. On the contrary, it is very much in evidence and is being reconstructed in conformity with the exigencies of the war, replenishing depleted divisions, erecting new defence fortifications and working out new plans of defence.

General Chiang Kai Shek's position has become stronger than heretofore as can be judged by the execution of the Governor of the Shantung Province - Han Fu Chu. In fact the Chinese government still exists and will remain. Should the Japanese prefer in future to ignore the Chinese government, it can only be done theoretically. War therefore can not be declared although the wish exists to-day in certain naval circles that it might be declared. The only thing the Japanese can now do is to treat with the various local autonomous governments which have nothing to negotiate as they are being manipulated by the Japanese themselves.

On the one hand, the enemy has penetrated far into the interior of China. The entire Yangtze valley between Shanghai and Nanking is demolished and desolate. Shantung has been lost because Han Fu Chu ordered the retreat to be made in a week's time. The North with its five provinces has been transformed into a stepping zone for the Japanese. China's economic losses are inestimable.

However, on the other hand, the Chinese assets may be considered as follows: exhaustion of Japan's finances, boycott of Japanese goods by the entire world, great tracts of territory permitting the Chinese armies to retreat and, in proportion as the Japanese advance further into the interior, they must bring everything even to the last straw from Japan.

To-day, the morale of the Chinese troops has become astonishingly strong. It broke down completely some time ago. Two Yunnan divisions have petitioned General Chiang Kai Shek to permit them to proceed to the front. All these facts are inspiring the Chinese with optimism and in Hankow there exists the firm conviction that China will ultimately win the war. China has gained considerably on time as supply trains are now arriving hourly from the South, from Hong Kong and also from Indo-China. The depleted divisions have now been replaced with fresh troops and they will again march to the fronts.

It is permissible to believe that Hankow could be reduced to ruins within a few weeks; the Mongols might break into China and Russian help might come. But the newly appointed Russian ambassador, so far, is nothing other than a representative delivering war materials against cash.

The supporting hand of England is decidedly more solid. The massed Japanese forces that fought at Shanghai are not to be accepted as a criterion of the real strength of the Japanese army.





(Special cable from Hankow)

No. 3

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On Thursday the spokesman of the Chinese government made the following statement to the German representative of our newspaper.

China knows what it means to fight bolshevism and its destroying influence. She has been fighting it for years. She knows how detrimental it is to both the family system and the State. For this reason it does not follow that, as the result of the inclusion of the former communist troops under the leadership of General Chiang Kai Shek for the purpose of consolidating the common anti-Japanese front, an increase of bolshevist influence will be felt in China. The delivery of Soviet arms to China comes within the frame of the League of Nations allowance to its members.

The spokesman then referred to Sun Fo's visit to Moscow which, he explained, could not be considered as a step towards pro-Soviet rapprochement and he protested against the rumours about bolshevizing China.

If it is considered that China is in danger of deviating towards the left, then this can and must be attributed to Japan for by fighting the National government she is destroying the strongest barrier against bolshevism.

The spokesman further declared that Sun Fo's mission to Soviet Russia is not for the purpose of concluding a treaty, so, consequent upon this the report to the effect that China was obtaining a Soviet loan in exchange for Chinese commercial privileges as likewise help from Mongolia is not true. Such reports are evidently circulated for the object of representing the Chinese government in a wrong light and thereby produce an estrangement between her and the foreign Powers, and, also to force China to adopt the left course.

There are no Soviet Russian military advisers so all talk about an increase in their number is fatuous. The number of Soviet Russian aviation pilots serving the Chinese government is considerably less than those of other foreign countries.

No secret is made of the fact in enlightened circles that deliveries of Soviet Russian arms are being made as also Soviet Russian airplanes. They are however less than the deliveries of these articles by other countries. It is regrettable that certain irresponsible persons should have given such prominence to the deliveries of arms by Soviet Russia as it has resulted in imparting a red colour to China which country is only fighting for its self-preservation.



Handwritten notes and signatures at the bottom of the page, including "S. 1", "See memo", "S. 1", and "1/2".

Translation from the local German newspaper  
"OSTASIATISCHER LLOYD", dated Jan. 1, 1938.

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We have been advised by cable from Hong Kong of the arrest of a German citizen named G. Gohdes by the Cantonese Authorities suspected of having been engaged in spying activities on the border of Macao and the Kwangtung Province on December 27, 1937.

Gohdes who is an employee of the firm of Messrs Reuter Brockelmann & Co. in the Medical department was in Macao together with other two German acquaintances.

He went for a stroll alone in the mountains with his camera and crossed the Kwangtung border. As he did not return, his friends instituted a search for him and found that several foreigners had been arrested on the frontier. They communicated immediately with the German Consulate which is now investigating the matter.



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Translation from the special edition of the German newspaper  
"OSTASIATISCHER LLOYD", dated Dec. 27, 1937. 29 12 37

The Editor-in-Chief of the "Ostasiatischer Lloyd", Herr Paul Huldemann, was received on Christmas Day by Field Marshal Chiang Kai Shek, when he was granted an interview, in which the Generalissimo expressed his military and political views.

Chiang Kai Shek pointed out that the advance made by the Japanese military had been conducted without system or consequent development. No particular aim is discernible. As for the Chinese, two measures have been adopted with the object of curtailing the Japanese advance. In the first place, new defense lines are to be constructed and secondly guerilla warfare tactics are to be launched. The Generalissimo announced that this class of warfare would be commenced as from the 1st of May.

Our Editor then touched on the matter of training at present new mechanized Chinese units in the North-West. With regard to the wastage computed at 300,000 men, the Generalissimo explained that these losses would be replaced by new officers and men who are undergoing training uninterruptedly and in one or two months a new army will be formed.

The Editor pointed out that in the Chinese military staff circles the present strength of the Chinese army has been placed at 100 divisions. Our Editor also referred to the replacment of war materials and the difficulties encountered in this respect should Canton fall. This matter, however, did not seem to give any anxiety to the Generalissimo as the trouble has now been overcome since the construction of a highway to Chengtu.

He then referred to the inner-political reconstruction of China as a result of the war. He mentioned that the constant attacks made by the Japanese military has had the result of fusing the unity of China, which was formerly unknown.

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After the termination of the present war a new People's State will be established based on the Three Principles of Dr. Sun Yat Sen, and a Peoples' Congress will be inaugurated. He added that these principles are not being fostered from abroad.

The Generalissimo evaded the question regarding the Sino-Russian relations and refused to talk of particulars. This matter, he said, was still under discussion. He finally expressed his gratitude for the sympathy expressed by the Germans at this very trying time for China. Relations with Germany, he remarked, had always been friendly and Germany has still proved to be a good friend.

The interview was of a very cordial nature and permitted the Editor to observe the strong personality of the Generalissimo in whose hands the destiny of his country rests. The Generalissimo is more determined than heretofore and is conducting the war with perfect decision.

Translation from the local German Newspaper "Ostasiatische Rundschau", dated December 22, 1937.

SHANGHAI MUNICIPAL POLICE

REGISTRY

S. B. D. 4075

24

The drama of force has been pushed aside. Politics have now taken the place of militarism. For many days, it was known that Nanking would fall. The Chinese Government, however, still believed it held sufficient trump cards in their hands when they tried to approach Japan with peace negotiations.

According to various feelers it is known that the Chinese Government intended to go very far in the matter of these peace parleys, and was even prepared to recognise the new political arrangements in North China. It would also have been possible to have reached an agreement on the Customs as also the Japanese Concession in Shanghai, on the other hand, the various forces working in Japan must be taken into consideration and the fact that a political decision depends not only on agreement of the Government and Army in Tokyo, but also with the consent of the army operating on the continent.

General Matsui's army has thus decided and established the fact that peace with a government under General Chiang Kai-shek is impossible.

Considerable uneasiness is being experienced here by the following news:- The defence of Ninghsia, Shensi and Kansu is now on the hands of Mao Tse-tung and this territory is being isolated from the rest of China. The leader is the well known communist Chu Teh who is known to have been responsible for closing the aviation landing fields in Lanchow (Kansu) and Sian (Shensi) to the Eurasia Aviation Company. Russian influence is steadily growing in the north western territory.

It is true that Soviet Russian planes have been delivered to China, but not to such a great extent as those delivered by the British and Americans. Communist propaganda is also prevalent.

It is no longer a secret that public sentiment is becoming worse in many parts of the country as the result of the enormous number of wounded soldiers. Chinese civilians can be



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See above 23/12

heard expressing the desire for early peace. Bloody riots have already taken place in several parts of the country.

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GERMAN EMBASSY STAFF ARRIVE IN NANKING.

The Director and other officials of the German Embassy at Nanking - Secretary of the Legation, Dr Rosen, Chancellor Herr Scharffenburg, Secretary of the Consulate-General, Herr Huerte and the Chinese Little Sun arrived in Shanghai on Tuesday afternoon.

They left Nanking on Monday and were convoyed by several other steamers. They boarded the British hulk at Hsiakwan together with the officials of the British and American Embassies. Later they were transferred to the steamer "Whangpu". While at anchorage the steamer was suddenly fired on by a battery of Japanese guns on December 11. The Captain immediately lifted anchor and steamed upstream. The firing still continued while the steamer was sailing. After being transferred to the British Gunboat "Cricket", the officials were witnesses of the Japanese attack on the British Warship by the Japanese bombers which was repeated three times. As is known, the British replied when the second attack was made by firing at the planes and thus averting any further attacks on the British ships stationed on the Yangtze.

During the following few days the Germans enjoyed the pleasant hospitality of the British Admiral Holt in his flagship the "Bee", where they remained until December 20, 1937.

It is the intention of the German officials to return to Nanking immediately an agreement has been reached by their American British and ~~German~~ colleagues and the Japanese Authorities.

There are four Germans still remaining in Nanking namely, Herr Hake of Siemens Co, Herr Kroegeer of Carlowitz Co, Herr Sperling who is reported to be recovering from wounds and Herr Hempel the proprietor of the Nord Hotel in Nanking. In addition, there are a few Austrians in Nanking.

Translation from the local newspaper "Kwai Sheng"  
"Lond", dated December 11, 1937.

### THE BLOOD BATH AT NANKING.

It is reported that during the first four days of the Japanese occupation of Nanking some 50,000 Chinese disabled soldiers and civilians were executed by the Japanese.

Foreign observers relate how the Japanese had entered the safety zone from which they rounded up all the serviceable-looking men in groups of three hundred and executed them in groups of five and six at specially designated places. The corpses which had not been removed, were lying heaped on the roads, for instance, at the gate leading to Shikwan, and foreign motor cars were forced to drive over them.

Some foreigners were also among those who witnessed the shootings and their presence had a restraining influence. The Chinese policemen were also executed in great numbers.

(Special to the C.I.)

The Governor of Kwangtung, General Ku Teh Chen has firmly decided to resist the Japanese attack by all possible means. The Chief of the Police of Canton, Li Chieh Chie has declared that he would dynamite and burn down all the more important buildings and installations of the town should Canton be threatened by a Japanese attack.

The most important Japanese base for operations in South China is the Island of Formosa. The Army Headquarters there are in Taihoku. A branch of the General Headquarters under the command of the Governor, Admiral Saigo Kobayashi, is also located there.

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Translation from the local German Newspaper "Ostasiatischer Lloyd", dated December 16, 1937.

Curfew passes for Nazi Party members.

As the curfew passes which were issued by the Shanghai Municipal Police to members of the Nazi Party in the month of August this year do not bear the official police seal, holders of these passes are requested to submit same to Police Headquarters, Room 308, to have the seal affixed failing which they will be declared invalid.

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Excerpt from third contribution by Editor-in-Chief - Herr Muldermann regarding the measures adopted by the Chinese.

Nobody can judge the present military situation which must now be decided so far as Hankow is concerned.

The news broadcasted by the Japanese Militarists regarding the victory are not altogether correct. The resistance put up by Chinese troops was stronger than that anticipated by certain quarters. In most cases, only second and third grade troops were engaged in the defence. The best troops have been reserved for greater tasks.

The Japanese will be forced to surmount some real barriers that will delay their progress. Troop marching and unloading of supplies have taken on an astonishingly increasing activity in Hankow. One can observe in an hour brand new batteries of trench mortars passing along, tractor-hauled 15 cm Howitzers, anti-aircraft guns, searchlights, new motor trucks, anti-tank guns, aircraft engines etc. This is not an exaggeration, but a fact, which can be witnessed at any time.

Transporta conveying munitions are to be seen from morning to night and columns of newly trained soldiers are always on the move. One can see both unprepossessing provincial troops and also efficient looking troops from the South still dressed in their summer uniforms. Then there are the well equipped troops of the Nanking Government. These latter form the majority.

The activity of the Air Force is extraordinary. Everyday

one sees bombers and especially small pursuit planes of the Chinese. The type of these planes is new and has been declared as Russian by the Japanese. These planes have already proved their capabilities.

A few days ago these planes engaged a Japanese attacking squadron in Nanking. It has been proved that the Japanese planes are distinctly inferior to the new Chinese type.

A Japanese plane was forced to land owing to the greater speed and clever manoeuvring of the Chinese. Two other Japanese planes were shot down during an aerial fight.



COMMENCEMENT OF THE SECOND WAR.

To-day, we publish an additional report just received from Hankow from our Editor-in-Chief, Herr Huldermann, which deserves attention as it contains an interesting view of the measures which have been adopted by the Chinese as also their outlook in spite of the military and political situation which is changing daily.

Hankow - beginning of December.

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The Chinese retreat is still in progress, giving up position after position, if will stop one of these days when the Chinese will put up the 'big defence'. From a political point of view, it can be said that the second war has begun because a political reformation has sprung up from the old centre "Nanking", and the new partial centre Hankow, which reformation will have its influence felt beyond the war.

The central power has been split up into three sections centered in the following towns:- Hankow, Changsha, and Chungking. In Changsha the Ministry of War has its headquarters.

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the heads of the provincial governments in Shanghai and other cities. The Chinese authorities are directly concerned in the conduct of the war in Shanghai.

Chinese circles have a feeling that of all the foreign journalists in China at present, the Chinese have the most important representatives at the headquarters of the Nationalist Government whereas there is only one representative of each other nationality, all the remaining being in the Shanghai area.

The development of the situation in the Shanghai Settlement has been very disappointing. For the Chinese, who, as it is that the Settlement Administration is in a very difficult position,

the so-called neutral attitude of the part of the Settlement Administration is illustrated by the fact that the Central News Agency has been prohibited to operate whereas the Local News Agency still continues to function.

The Government is occupied at present with other things than to worry about the Shanghai International Settlement but, it is pointed out, seeing that Japan has violated all the existing agreements with the International Settlement and the French Concession and the Powers have permitted these violations, China can also assume the right when the time comes to march into these territories.

It is an ungrateful task to attempt a political prognosis with regard to the conflict as everything in the East turns out different from that anticipated by western reasoning.

The collapse of the Shanghai front has produced no signs of discouragement here.

It is confirmed and is repeated by people arriving from the interior that the morale of the Chinese people is growing and gathering strength as the Japanese advance penetrates.

It is pointed out that peace negotiations can be started only by a third power or Powers.

Translation from the German local newspaper "OSTASIATISCHER  
LLOYD", dated December 14, 1937.

JAPANESE PREPARATIONS AGAINST CANTON

(Special report to Ostasiatischer Lloyd)

Preparations are under way on the North-east and South-west of Hongkong for a Japanese landing which is directed against Canton.

A war port and aviation base are being constructed on the island of Kuesoy, in front of Amoy.

Reconnoitering from warships and by planes will be conducted from Bias Bay.

The islands Shangchuan in the vicinity of Hongkong and Waichoo between the peninsula Luichow and Haiphong were occupied by the Japanese last week.

THE BERLIN MISSION STATION KUKKONG BOMBED

The Berlin mission station Kukkong in Kwangtung has been bombed and suffered heavily. The damage is considerable. The grave of Germany's first missionary of the Berlin Mission - Herr Leuschner, has been destroyed.

Missionary Kohls who is at present in Hongkong, learned of the bombing through the medium of the Deutsche Nachrichten Bureau (German News Agency). He says that the only European who is residing at present in the Mission compound is an English doctor - Dr. Hartnell of the Wesleyan Mission. The Japanese bombed the Mission on October 14.

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Translation of extracts from the local German newspaper  
"OSTASIATISCHER LLOYD", December 3, 1937.  
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Our editor in chief, Herr Paul **Huldermann** has arrived in Hankow via Nanking from which latter town he proceeded in the steamer in which the Nanking Germans left for Hankow. His letter took six days to reach us.  
  
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The German flag was again hoisted on the two launches which were captured on the 17th. November by Japanese navymen. The hoisting took place in the presence of the acting German Consul General, Councillor of the Legation, Herr E. Fischer, a representative of the Japanese Embassy, a representative of the German owners and a captain of the staff of the Japanese China Fleet. All proceeded first to the "Idzumo", from which place then went to the two launches and saluted the hoisted flag. Afterwards, Herr Fischer paid a visit to Admiral Hasegawa.

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Translation of extracts from the local German newspaper  
"OSTASIATISCHER LLOYD", November 28, 1937.

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Herr M. Fischer, Councillor of Legation, arrived here yesterday afternoon by the steamer "Busueh" from Nanking and has taken charge of the Consulate.

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Mr. Okamoto, Japanese Consul-General, has expressed by telegram to Herr Behrend, the departing German Consul, his thanks for and appreciation of the co-operation afforded during the past difficult months.

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At the opening of the Press Conference, the Japanese spokesman, Mr. Hidaka, said that he confirms the denials of the rumours that have been spread around as the reason for Consul Behrend's departure from Shanghai. As far as the Japanese are concerned, he said, due recognition of Consul Behrend's services has been given.

Mr. Hidaka added that personally he himself had always maintained the most cordial relations with Herr Behrend as also had the other members of the Japanese Consulate.



Translation from the local German newspaper "OSTASIATISCHER  
LLOYD", November 2, 1937 :-

Chief Editor - P. Huldermann.  
Address - 20 Canton Road.

INTERVIEW WITH MATSUI

The man, who is directing the military operations in Shanghai and has declared that the Chinese troops would be driven away from the Shanghai area by November 9th, is General Iwane Matsui. There are four Generals in the Japanese army. General Iwane Matsui has been on the retired list since the year 1934. Both these facts characterises the importance and personality of the man whom the Emperor has chosen to direct the military operations which are so full of importance and, as one hears so frequently, decisive. Iwane Matsui is of a retired disposition and occupies himself exclusively with the task he has been entrusted.

He has never before granted an interview to pressmen or journalists, not even to one of his own countrymen of this profession.

Our expectations, therefore, and let us hope the public will share them, exceeded all bounds when General Matsui consented to receive us and give his first interview, specially destined for two German and three Italian newspapers. This interview has since found its way from Berlin back to Shanghai through the medium of a British news agency so, under these circumstances, we are now permitted to publish it in detail.

One morning, at an early hour and very suitable for a military interview, we found ourselves in the wartorn area of Shanghai where we stopped in front of a partly demolished house.

Here we saw war trophies such as a captured machine gun and some shells. An official received us and led us

to a small dark room, in which General Matsui was standing having just returned from the front.

The General was standing behind a small table. On observing us, he bowed and then we were introduced to him.

We were deeply impressed with his true soldierly appearance and personality. In addressing us, the General expressed his regrets that Shanghai has had to suffer such a disagreeable time but, he added, he believed himself to be in a position to state that one needs only to have a little more patience to observe the position clearing up for the Settlement.

In making this statement he elucidated the fact that Japan, originally, had no intention whatsoever to dispatch troops to Shanghai, but she was forced to take this step because the Landing Corps stood in need of assistance.

The slow development of the first engagements had its explanation in the fact that the Japanese army was not prepared for the Shanghai campaign. Those who have observed the enormous stores of the Japanese military and naval forces with their stocks ranging from hay for horses to table sauce for the troops, from ammunition to water transportation, will probably appreciate the great organization which has been necessary for this campaign.

General Matsui on being questioned regarding the Brussels conference, leaned back in his chair to find a suitable reply. The General holds the opinion that the world is bothering too much about China. The conference of the Nine Powers will be held at Brussels within a few days but, by that time, the necessity for such a meeting will have disappeared. At all events, the General explained, this will be his aim, for, he replied in answer to a pertinent query as to when one may expect the decisive blow, the war on the Shanghai borders will be finished in ten days.

The General made this statement accompanied by a hollow laugh and a slight sarcastic grim.

With our curiosity thus aroused, we were anxious to know if the campaign after the decisive blow had been dealt in Shanghai, would be pursued farther - as far as Nanking or even Hankow, so we asked the General as to his future plans, whereupon he declared that, while he could not claim to possess prophetic abilities, nevertheless, one could count on such a possibility.

General Matsui also admitted that the campaign was an extremely difficult one and remarked, that when pleasure excursions into the war area were again possible, one would scarcely recognize the landscape.

The Japanese forces had even been compelled to construct entirely new roads for their troops. He further explained that the enormous difficulties offered by the particular nature of the terrain were the cause for creating the wrong impression one obtained regarding the utility of the Japanese mechanized units.

Had the Japanese army to fight on European soil, matters would have been entirely different. He was in a position to make this statement because he had personally witnessed the success of the mechanized units on the French as also the Russian fronts during the Great War.

We enquired about the fate of Footung and Natao and were informed by the General that the situation is extremely difficult. However, he remarked, everything will be undertaken by the Japanese army to force the Chinese to evacuate their positions from these areas if possible.

Should it prove to be impossible to dislodge them without force, then in that case it will be a regrettable matter for the Settlement and Concession. The General assured us that the real objective of the Japanese military command lies beyond the river Whangpoo.

On being questioned why such a decision should have

been arrived at with regard to Shanghai and not with respect to the North, General Matsui explained that the reason is because the crack regiments of the National Government are fighting here and not in the North. We then enquired if the Japanese army entertains the idea that the Nanking Government must eventually veer round to the pro-Japanese view point and, if so how, in his opinion, such a thing can be brought about. To this, the General replied that although the National Government had a fixed policy, nevertheless, there are definite signs visible already of an ideological reverse.

He could not state the terms of the proposed peace at present and also declined to state if the Japanese army intends to occupy the Shanghai territory permanently, as for instance, the Kiangwan Area.

We experienced the feeling that the far reaching aims of the Japanese command have experienced a certain check lately and that they no longer insist on the resignation of the Nanking Government. Furthermore, it is evident that the Command is not anxious to prolong the war.

In conclusion, General Matsui spoke highly of Fuehrer Hitler.



Translation of an article from the German newspaper  
"OSTASIATISCHER LLOYD", November 18, 1937.

Chief Editor - P. Huldermann.

Address - 20 Canton Road.  
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#### EVACUATION FROM NANKING

On Thursday November 18, 31 German women and  
children will embark in Nanking on board the s.s.

"Tungwan". The German Embassy is also preparing  
for the evacuation of all the Austrians in Nanking whose  
number is 80.

Translation of an article from the local German newspaper  
"OSTASIATISCHE ZEITUNG", November 22, 1937.

EVACUATION

(Special to our paper)

As the consequence of the departure of the  
National Government from Nanking the various foreign  
embassies are embarking on warships for Harlow.

Members of the Soviet Embassy are leaving  
on a French boat, the Belgians on a British boat and  
Generalissimo Chiang Kai Shek is remaining for the  
time being at Nanking.

About one hundred Germans including seven  
Austrians are leaving on board the s.s. "Lutetia".

Those Germans who have preferred to remain  
are :- Messrs Rosen, Scharffonberg, Guenter, Rabe,  
Berling, Hempel, Hwischberg with wife and son, and  
Frau von Schuckmann.

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Translation of an article from the German local newspaper

"OSTASIATISCHER LLOYD", November 18, 1937

Chief Editor - F. Muldermann.

Address - 20 Canton Road.

NANKING EVACUATION

(Special to the "Ostasiatischer Lloyd")

The President of China, Mr. Lin Sen, together with five ministers of the Yuan, departed yesterday for Chungking. The various government ministries have left town and are removing to Hankow and other places. Small staffs have been left in these ministries.

The German Embassy have chartered steamers to evacuate its officials.

The civil population has joined the general exodus which has reached great proportions.

During the past three months the population of Nanking has dropped from one million to about 350,000.

Several regiments of troops are marching in the direction of Soochow.

(Editorial Comment)

A halt has been called on the Chinese front.

According to information the Chinese have still a number of divisions in reserve especially on the front north of the Taihu Lake. Chief of General Staff of the Fifth Army in Kwangsi, Lt. General Chang Yen-min, is on his way from Kweilin to Nanking.

From all reports, it is evident that the Chinese have again a fortified front and it now remains to be seen how far the Japanese will succeed in keeping up a mobile front south of the Taihu Lake.

The next 24 hours might supply the answer to this question.

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Translation from the local German newspaper "OSTASIATISCHER  
LLOYD", November 1, 1937 :-

Chief Editor - P. Huldermann.  
Address - 20 Canton Road.

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The German Consulate General, acting in close cooperation with the N.S.D.A.P. groups, the Chairman of the Germany community, the President of the German Chamber of Commerce, have come to the conclusion that at the present moment no general rule can be given for guidance of German citizens in Shanghai.

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It must be recognized that in the immediate future military activities will take place west and south of the International Settlement and French Concession respectively. Considering the fact that German citizens are residing in the immediate vicinity of this danger zone, having their residences in different parts suitable to their immediate requirements such as health, profession, family reasons, etc., any decision involving evacuation of these residences must be left to the initiative of the individual.

A special service has been established in the German Consulate General where some one will always be in attendance from the hours of 6 p.m. to 8 a.m. and the telephone number of this section is 11261, or 11263. Furthermore, the chief of the Consulate can be reached at all times at the Consulate or in the Park Hotel.

The N.S.K. under the charge of Herr Hasselmann or his direct representative, Herr Guenther, is on duty for evacuation purposes in the case of urgent demands. Should these persons be difficult to reach, calls must in that case be made to Herr Lahrmann, the chief of the "Landes group" of the Nazis Party.

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Though German citizens in Shanghai are free to enjoy the services of the public services of the International Settlement and French Concession, whose excellent work has been evident since the outbreak of the Sino-Japanese hostilities, and, although they have at their disposal the protection and aid of the Chinese civil and military authorities, we want to help ourselves in times of danger in the first instance and follow the motto "One for all and all for one".

Translation from the local German newspaper "OSTASIATISCHER  
LLOYD", October 27, 1937 :-  
Chief Editor - P. Huldermann.  
Address - 20 Canton Road.

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**NOTICE**

The German Consulate General requests all German citizens who are owners of buildings, real estate, etc. etc. located south of Hungjao Road and south of the border of the French Concession as far as the Whangpoo to register same immediately with the German Consulate General. It is requested that such registration should be made in writing giving the exact location, and, if possible, furnishing a sketch showing said location.

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**'JAPAN, ITALY & WE'** (Excerpt)

Finally, the possibility is not yet excluded, when one considers the numerous Japanese statements, that the future of the Far East will rest on Sino-Japanese friendship, in which Germany would most eagerly and sincerely participate.

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**'THE SHANGHAI SITUATION'** (Excerpt)

It is reported that the Chinese troops are marching along the Settlement in the direction of Kantao and Pootung. This development seems to indicate the following :- The Chinese are still clinging to the International Settlement and possibly to its western sector. It is possible also that they are transferring their arms to the waterfront thereby causing considerable pressure on it and, at the same time, placing great pressure on the south side of Shanghai, namely, on the French Concession.



2c EB  
20/10/37  
Jil  
28/10

2652

Translation from the local German newspaper "OSTASIATISCHER  
LLOYD", October 26, 1937 :-

Chief Editor - P. Huldermann.  
Address - 20 Canton Road.

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When the Acting German Consul General - Herr Behrend  
called on the Japanese Consul General on Monday afternoon in  
connection with the shooting of two Germans by Japanese fliers,  
this latter personally tendered his apologies and expressed  
his regrets. The Japanese Consul General requested to be  
furnished with details in writing and said he would keep the  
matter of paying indemnity in view.

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According to a cable received yesterday from  
Taiyuanfu dated October 20 by the firm Messrs. Carlowitz &  
Co., the manager of that firm's branch in Taiyuan-fu, Herr Reimers  
was the last remaining German in that town. The other Germans  
had left this place on the 14th inst. and proceeded to Lung  
Wan Shan some 40 Li from Taiyuanfu.

The cable also states that in addition to Herr  
Reimers it is possible that Herr Mueller, engineer-advisor  
to the Shansi Provincial Government, may still be in Taiyuanfu.

Lih  
OR

J.

Translation from the local German newspaper "OSTASIATISCHER LLOYD", October 25, 1937 :-

Chief Editor - P. Huldermann.  
Address - 20 Canton Road.

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The German Ambassador has been residing in Shanghai since Friday and will remain here for a few days. On Saturday he had a conversation with the German Chamber of Commerce when the question as to how to secure the delivery of German cargo from the Yangtszepoo District was discussed. This cargo is valued at from 30 to 40 millions of Dollars. The question of the Tungchi University was also discussed. It is known that the President of the Tung-chi University, Dr. Ong Tsi-lung is advocating the transfer of this school to Chin Huan in Chekiang.

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The history of the war of the International Settlement has become richer by one additional political incident, the consequences of which, judging from previous Japanese incidents, are not to be overlooked. We will not deal here with political consequences, but we wish to express here our sympathy with those British troops, which, while protecting the International Settlement, are likewise protecting German property. The past few weeks have shown that, especially in the outlying districts of the International Settlement, many ties of friendship have been made between the Germans and "their" British soldiers. To those who have lost a comrade we express our sympathy. We fully understand how "ridiculous" it is, when attacked by a Japanese machine gun fire from an aeroplane, that those on post duty are not permitted to shoot.



cc I.B.

DBR 26/10

File

26460

Translation from the local German newspaper "OSTASIATISCHER LLOYD", October 14, 1937.

Chief Editor - P. Huldermann.  
Address - 20 Canton Road.

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1. Referring to the announcement in the "Ostasiatischer Lloyd", dated September 23 of this year the German Consulate-General confirms same and considers the outlook of the situation in and around Shanghai does not permit the premature return of German women and children.
2. The German Consulate-General requests those Germans having property, houses, land, etc., in the Western District of Shanghai and on the other side of the Shanghai-Hangchow-Ningpo Railway to submit their statements immediately.

CP

DE SB  
DBR

Sing  
my  
15/10

File  
DBR

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26459

Translation from the local German newspaper "OSTASIATISCHER  
LLOYD", October 13, 1937.

Chief Editor - P. Huldermann.  
Address - 26 Canton Road.

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N O T I C E

All German citizens of the Reich who  
have returned to Shanghai since August 25th  
of this year are hereby required to furnish  
the Consulate-General immediately with  
particulars of the number of persons of their  
family - Name, age, etc., residence and  
telephone number.

R.C.W. Behrend

German Consulate-General.

October 13, 1937.

2635  
407

Translation of excerpt from article entitled "Matsui  
Speaks" appeared in the local German newspaper  
"OSTASIATISCHER LLOYD", October 9, 1937.

Chief Editor - P. Huldermann.  
Address - 20 Canton Road.

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The proclamation is evidently addressed to  
the local foreign circles. These latter do not want  
non-binding phrases but facts.

A foreigner recently hurried to the Garden  
Bridge during one of the fierce bombardments to  
ascertain if his property worth hundreds of thousands  
of dollars was on fire, but the Japanese sentries  
refused him permission to cross over.

As for promises, we remind the Japanese  
that the commander of the Landing Corps personally  
assured our editor eight weeks ago that the North  
Szechuen Road would soon be opened, which however has  
also never materialized.

DBR  
12/10

Translation from the local German newspaper "OSTASIATISCHER  
LLOYD", October 3, 1937.

Chief Editor - P. Muldermann.  
Address - 20 Canton Road.

Excerpt from an article entitled "THE SHANGHAI  
GERMAN MERCHANT SPEAKS & THE QUEER ROLE OF THE  
SHANGHAI MUNICIPAL COUNCIL"

"It has already been pointed out that Shanghai has  
been the astonishing witness of selfish acts on the part  
of the Japanese here in the most industrial part of the  
city and it has become necessary in the most urgent manner  
that a more energetic attitude towards them should be  
adopted by the city authorities.

"The enormous taxes borne by firms for warehouses  
and godowns in Hongkew and Yangtszepoo districts render  
it imperative that the Shanghai Municipal Council represent,  
in a much stronger manner than hitherto, the interests of  
those firms whose very existence is threatened. This  
point of view is perfectly fair and legitimate even when  
full consideration of the difficulties confronting the  
Shanghai Municipal Council is allowed and the question  
arises, has everything that is possible in this direction  
been really tried and done.

"The passive tolerance of Japanese acts of injustice,  
in our opinion, is a matter that weighs more heavily than  
the attempt to do justice. Tolerance provides the  
opportunity for further Japanese aggression. The great  
powers whose duty, in the first instance, it is to assist  
the Shanghai Municipal Council, have taken no real steps  
to achieve this. It is not clear to us how far such a  
negative attitude is being dictated by interests that lie  
beyond Shanghai, but, it can be said that, in local circles,  
this negative attitude is severely condemned."

File  
24  
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Dr. A. L. C.  
502 40

# Huldermann Reorganizes Local German Newspaper

## Old Name Of Journal Revised; News Is Now Published In Different Sections To Follow Improved Make-up Policy

Trying to make a real "home-made" paper for Germans in China is the task which Mr. Paul Huldermann, Editor of Ostasiatischer Lloyd, has set for himself. Although he has been in China less than six months, he is rapidly accomplishing his aim, and as a result, the German Community in Shanghai is beginning to feel for the first time in many years that it has a paper of which it can be justly proud.

The local German daily, formerly known as Deutsche Shanghai Zeitung, has not only been reorganized but has reverted to

Paul Huldermann an old name, the Ostasiatischer Lloyd, which the paper was known by during the pre-war years. Explaining the reversion, Editor Huldermann declared that he had adopted the old name again because the paper at that time was "unquestionably the best German paper that had ever been published in the Far East and we are anxious to continue in the tradition established at that time."

The reorganization of the daily has involved both a change in address as well as changed "make-up." The new offices are now located at 20 Canton Road. Additional office space has been acquired and several new men added to the reportorial staff.

Under the changed "make-up," Editor Huldermann devotes definite sections of the journal to different kinds of subject material. The front page covers either the most important news in China and Shanghai at the moment or news from abroad which is considered "page

1 stuff." The second page is usually a "carry-over" of page 1 material.

One page weekly is usually devoted to news of interest to the "Hitler Youth." A complete picture is presented of Hitler Youth activities both in China and in Germany.

The following pages are devoted to other departments, which include medicine, women's news, science, "technique," military affairs, photography, sports and news of general cultural interest.

The last two pages usually carry articles of economic interest to Germans in China.

Short "leaders" or editorials are carried on page 1 every day. These are written by some member of the editorial staff not necessarily the editor. A long editorial containing comments on the political situation in China and abroad is written for Sunday morning's issue by the editor himself.

In addition to the actual changes in make-up and general subject material which have been effected under the new regime, Editor Huldermann is now branching out into the correspondence field. Correspondents have already been engaged in Berlin, London, New York, Tokyo, Sydney, Manila, Singapore, Mukden, Nanking, Peking, Canton and Tientsin.

As soon as arrangements are completed, the paper expects to have correspondents in more cities of China. "We hope to have a complete picture of the Chinese scene for our readers," Mr. Huldermann explains. "This will make the paper not only valuable to the Shanghai reader but to Germans residing in every part of the Far East." It is a matter of course that Ostasiatischer Lloyd gives its readers a full survey of new Germany.

### Has Traveled Extensively

Editor Huldermann, although new to the Orient, has traveled extensively in Europe and the Near East. He started his journalistic career in the publicity department of the Hamburg-American Line. Shortly after the war he was sent to the New York office of the shipping company where he engaged in publicity work for a year. He returned to Germany in 1928 and joined the big German news agency known as the Telegraphen Union. After one year with this organization he transferred to the Deutsche Allgemeine Zeitung, one of the leading Berlin dailies. While on this paper, he was sent out as a traveling correspondent on several assignments which carried him as far north as Finland and as far south as Egypt and the Near East.

With the reorganization of the German newspaper set-up following the advent of the Nationalists to power, Mr. Huldermann became Editor of the Zeitung-Verlag, a magazine supported by the Association of German Publishers, which corresponds to Editor and Publisher in America. At the same time he was connected with the daily "Angriff."

Last summer when Captain Max Simon-Eberhardt, former Editor of the local German daily, returned to Berlin, Mr. Huldermann was asked if he would like the appointment as Editor by Captain Simon-Eberhardt.

"I did not hesitate a second to accept the offer," Mr. Huldermann declared. "I had long wanted to come to the East and here was my chance."

Asked what he thought of China since he had arrived, Mr. Huldermann admitted he had not seen much of the nation and people as yet. "It is my wish, however, that I may stay a long, long time in China. I am anxious to serve the German Community here and to learn more of the country to which I have come," he said.

Mr. Huldermann is married and has a daughter. His family came with him when he decided to accept the Shanghai assignment. Mrs. Huldermann is a doctor of medicine but at present is devoting her time to "home-making" rather than medicine.

SHANGHAI MUNICIPAL POLICE.

S.3, Special Branch *Index SST*

REPORT

Date *January 11, 1936*

Subject *"Ostasiatischer Lloyd"*

Made by *and* Forwarded by *C.A. Cook.*

I have to report that the editorial staff and offices  
of the local German daily "Ostasiatischer Lloyd" have just  
removed from 110, Hankow Road to No. 20, Canton Road 5th.  
floor.

*C. A. Cook*  
C. A.  
D. C. (Special Branch).

SHANGHAI MUNICIPAL POLICE.

File No. 10,517

D. D. 4075

Special Branch S. 56

REPORT

Date January 6, 1936.

Subject Reconstruction of local German Newspapers.

Made by C.A. J.A. Cook

Forwarded by

*Chen F. Cook*

The local German daily newspaper, entitled "Deutsche Shanghai Zeitung" which was acquired by purchase some few months ago from the founder Herr Simon Eberhardt by the official Nazis Party, has been re-named as from January 1st. 1936, the title being "OSTASIATISCHER LLOYD" (The East Asia Lloyd). The editor of this paper is Dr. Huldermann, a Nazis journalist who arrived in Shanghai some two months ago. The Nazis Party interests of this publication are watched by Herr Schenke who has the high Party rank of Unterbannfuhrer and is second in Party rank only to von Kriebel, the Obergruppenfuhrer. Herr Theo Echardt, who until recently was the editor of the fortnightly magazine "China Dienst" the official publication of the German Chamber of Commerce, has joined the staff of the "Ostasiatischer Lloyd". The "China Dienst" ceased publication on December 31st. 1935. Mr. W. Schenk, the Swiss, who was attached to the "Deutsche Shanghai Zeitung" is no longer connected with any of these German publications and his name has been placed on the black list of the Nazis Party for alleged espionage.

Mc.

*Chen F. Cook*  
C. A.

*File 37*

D.C. (Special Branch).

*DC (S.B.)  
S. 56  
Informal as directed  
Washington 8/14/36  
202*

*Please inform "A."*

*DR. 8/36*

*File  
7 JAN. 1936*

SHANGHAI MUNICIPAL POLICE.

File No. ....

S.3, Special Branch, SBT

REPORT

Date October 14, 1935.

Subject (in full) Dr. Paul Huldermann.

Made by and Forwarded by G.A. Cook.

Sir,

This gentleman arrived in Shanghai from Berlin, Germany, on October 4th, 1935, in the s.s. "Trier" accompanied by his wife and daughter.

He has been selected to fill the position of editor of the local German newspaper "Deutsche Shanghai Zeitung", and has already taken over his duties as such. This publication has always shown a deficit in the past and in this connection, it is noteworthy that Dr. Paul Huldermann, whose appointment to Shanghai was made by the Auslands Press Stelle Foreign Press Office an official organization of the German Reich, receives his salary from this source.

He has been specially trained in Nazia editorial work in Germany and, it is stated, that the intention of the Germans is to convert the "Deutsche Shanghai Zeitung" into an Anglo-German publication. Dr. Paul Huldermann is quite a young man and is residing at the Pension Walter, No. 15, Kiaochow Road, Land 175.

It is reported that Mr. Simon Eberhardt the former proprietor of the "Deutsche Shanghai Zeitung" sold his interests in this publication to the Nazis on his arrival in Berlin and it is very doubtful if he will return to China as he has accepted the position as Bezirkshauptmann (recruiting officer) in one of the military sectors of Germany.

D. G. (Special Branch).

File  
JH

John A. Cook

SHANGHAI MUNICIPAL POLICE.

SHANGHAI MUNICIPAL POLICE

S. B. REC.

S.3, Special Branch *4075* SST

REPORT

Date August 14, 1935.

Subject "Deutsche Shanghai Zeitung"

Made by C.A. Cook

Forwarded by *Amooie*

D.S.I.

Sir,

Since the departure from Shanghai for Germany of Mr. Simon Eberhardt, editor of the local German daily publication entitled "Deutsche Shanghai Zeitung" who was a member of the "Steel Helmets" organization in Germany, this newspaper is being edited by Miss A.P. Strauss who was editor of the defunct "Die Brucke".

It now appears that a new editor whose name is given as Mr. Waldermann is on his way to Shanghai to take over the editorship of the "Deutsch Shanghai Zeitung" which, it is stated, will become the official Nazi publication on the Far East and will probably merge with the "Chine Dieust" and "Ostasiatischer Beobachter". Mr. Waldermann is expected to arrive in Shanghai in the s.s. "Potsdam".

*John L. Cox*  
C. A.

D.C. (Special Branch).

*Act. b. P.*

*Sir*

*File*

*WJG*

18 AUG. 1935

*Information*  
*W. G. B.*

14 AUG. 1935



SHANGHAI MUNICIPAL POLICE.

SHANGHAI MUNICIPALITY  
File No. 4045  
C. & S. B. REGISTER  
SECTION 2  
Date October 2, 1932

REPORT

Subject (in full) " Deutsche Shanghai Zeitung "

Made by D.S.Prokofiev

Forwarded by *D.B.M. D.I.*

A new German newspaper entitled " Shanghai German Newspaper" ( Deutsche Shanghai Zeitung ), an "independent daily newspaper for promotion of German interests in the Far East", made its first appearance in Shanghai on September 27, 1932. The editor, Mr. Max Simon-Eberhardt, a former artillery officer, who came to China originally to work in the capacity of an adviser to the Nationalist Government, Nanking. However, he subsequently went to Peking where he worked as the representative of several German newspapers for a period of eight months.

The main object of this newspaper which appears " in a modest guise as behoves the nationals of an impoverished country struggling for its life" is explained in the leading article of the first issue as follows:-

" Only too often news is published and opinions expressed in the local press regarding conditions in Germany, which sometimes are wrong and sometimes absolutely false, and which not only fail to give a true picture of Germany, but represent the situation in an unfavourable light in which, in accordance with their own aims, one would like the world to see it, in one word - " Propaganda". To counteract this propaganda is one of the aims of this publication".

The attitude of the newspaper towards China is that of " friendship and affection". " In the same way as this great country, our Fatherland is also in a difficult position and we are also oppressed by foreign Imperialism. Therefore, we Germans have full understanding and sympathy with the Chinese people".

With regard to other nations good and friendly relations

SHANGHAI MUNICIPAL POLICE.

REPORT

Station, \_\_\_\_\_

Date \_\_\_\_\_

19 \_\_\_\_\_

Subject (in full) \_\_\_\_\_

Made by \_\_\_\_\_

Forwarded by \_\_\_\_\_

-2-

will be advocated insofar as these nations " do not deny us the right of life and will not keep us in a state of dependence, un-equality and deprive us of freedom for ever".

A temporary editorial office has been established in the Room No 99, Astor House.

*W. Prokofiev*  
D.S.

Officer i/c Special Branch.

*Commissioner of Police,*  
*for information and*  
*return.*

*W. G. Evans*  
O. i/c S. B.

1932

*G. D. I. Ponce,*  
*Please arrange to obtain*  
*and peruse this newspaper*  
*regularly.*

*A. S. Mr. Look: please not instructions 4:10:32.*  
*and comply.*  
*W. G. Evans*  
*4/10.*

SHANGHAI GERMANS BECOME  
VOCAL AGAIN

IN sharp distinction to Tientsin where a successful German daily newspaper, the *Deutsch-Chinesische Nachrichten*, has been published for many years, the German community in Shanghai ever since the European War has entirely depended on English language newspapers for its information and the expression of its views. The general attitude of the German community here, and this was particularly true of the leading merchants, was that because of the fact that Germans had lost their extraterritoriality, and also for other reasons, it was in the best interests of the German community not to support any newspaper, but to have each German apply himself individually to the furtherance of his business connections and take no interest in politics, or at least not to make that interest prominent. In this connection it may be mentioned that the Russian community, which is also without extraterritorial rights, has always maintained its interests in political affairs, and supports several daily newspapers of varying political affiliations. During the past month, however, there has been a decided change in the attitude of the German

community here as regards publicity in their own language, or at any rate a determined effort is being made by German literary men to establish German organs here. Almost simultaneously there have been started in Shanghai a German daily newspaper and a German semi-monthly journal, both of a high literary quality. As far as surface indications go, it is the semi-monthly publication and not the daily newspaper that is getting the principal German support. The advertisements in the daily newspaper are mostly from non-German firms, whereas the semi-monthly journal contains large advertisements from all the leading German business firms, steamship agents, etc. There are rumors that still a further German publication is to enter the field, so that the German community in Shanghai, which has been practically voiceless during the past 18 years, is apparently going to make itself heard once more in the same sonorous way that it did in pre-War days when the venerable Herr Finck most ably edited the *Ostasiatische Lloyd*, the publication of which was suspended shortly after the outbreak of the European war. In pre-War days also the Germans had a very considerable interest in the British-owned evening newspaper, the *Shanghai Mercury*, a partnership which naturally dissolved when the guns began to roar in 1914. The *Mercury* then passed into Japanese control, but after sinking more than a hundred thousand yen in the venture they lost their interest in the paper, which finally was merged with the American owned *Evening Post and Mercury*. Herr Finck, it may be mentioned, was not a German but an Austrian, and at last reports was still wielding a slashing pen in his native land.